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NATIONAL CROP YIELDS CONTINUE TO ADVANCE

Extra-large crop yields per acre have been telling a production success story for many farmers during the past 5 years. They also spell lower per unit production costs, even if bulging bins everywhere don't always mean bigger profits. Extra-high yields are a personal achievement, nature's own merit awards in the contest of skill, work, and chance we call farming.

The combined effect of these individual successes is a striking advance in national per-acre yields. Yields this year are climaxing a 6-year unbroken series of gains in overall yield which started in 1952. October 1 data place the 1957 yield-per-acre level more than a fourth higher than in 1947-49. These are years used by the Department of Agriculture as a base for comparing yield per acre, crop output, and other items.

Wrapping the 1947-49 yield averages for each of 28 major field and fruit crops into one statistical bundle in proper relative importance, gives us an index or sighting level for overall yield which we value at 100. The 1952 yield was 107; 1953, 108; 1954, 109; 1955, 119; and 1956, 124. The October 1957 report put this year's yield index at 127, about 3 percent above the previous record set in 1956.

The gains in per-acre yield have kept crop production at near-record levels,

despite sharp cuts in harvested acreage. The 1956 total for 59 crops at 319 million acres harvested was nearly 30 million acres, or about 8.5 percent, less than the 1947-49 average. The overall index of crop production both last year and this, instead of decreasing below the level of these years of higher acreage, was 6 percent larger, matching the record 106 set in the fine crop year 1948.

Let's look at this astonishing change another way. Let one farmer represent the Nation. In the postwar years 1947-49, he harvested 100 acres. Last year he took it a bit easy and cut down to 91.5 acres. But on this reduced acreage he raised as much as he would have in the earlier period on 106 acres. Looking back at those other years, he recalls that they were pretty good, one of them a standout.

What Is 1958 Outlook For Your Commodities?

For experts' opinions read the special December Outlook issue of Agricultural Situation. It will contain articles on all major farm products as well as a general survey of 1958 prospects.

Causes for the yield upsurge differ greatly on the nearly 5 million separate farms. They even differ field by field.

Doubtless, high pressure farming of the best acres is one of the principal causes. Under any acreage restriction program, the poorest acres sit on the sidelines, while the more gifted favorites get special attention.

Higher yielding hybrids and improved varieties of all crops are chosen for planting. More fertilizer speeds plant growth. New ways are used to check insect raids, fight crop diseases, and kill weeds. No small segment of science and industry is devoted to developing and making the production aids and pushing their sale to farmers.

Improved farm machinery does work better, as well as faster, easier. This machine power helps reduce losses from unfavorable weather at the critical rush periods of seeding, tillage, and harvest.

Weather, of course, still shapes farming. Farmers must work with the weather the best they can, modifying it wherever possible. On some farms irrigation has been adopted or expanded. Crop and variety shifts to fit climate and soils continue unceasingly.

Can especially good weather be given the main credit for recent high yields?

This seems doubtful. The weather wasn't perfect for farming by a long shot during the high-yielding years of 1955 and 1956.

Persistent drought dominated the Great Plains, and forage growth was short in many sections. Freezes in 1955 killed southern early peaches. Last year drought and heat cut yields on some of the Nation's finest land in the western Corn Belt. But good crops elsewhere offset losses. This year started poorly with cold, wet weather but has developed surprisingly well re-

cently. It seems that in this big and varied country weather risks to national supply are minimized by the vastness and variety of the land and the wide range of climatic effects.

What crops have most influence on national overall crop yield levels? Corn is most important with over a fourth of the total weight. This showed last year, when the level was pushed up by a corn yield of 45.4 bushels per acre which much surpassed the 1948 former record of 42.5 bushels and dwarfed the 1947-49 average of 36.2 bushels. Extreme drought or other crop loss over a large part of the Corn Belt, such as occurred in 1934 and 1936, would decisively lower national yields.

Wheat comes next in importance, followed by hay, cotton, oats, tobacco, fruits, Irish potatoes, soybeans, barley, flaxseed, rice, sorghum grain, and dry beans. Minor field crops have lesser effects on total yield.

Behind the change in yield average for each crop is a fascinating story. King Corn gained new stature from hybrid seed. Cotton yields have reached new heights, in part by acreage decreases in the southeast and increases in high-yielding irrigated areas in the southwest. They now average almost a half above the 1947-49 level. Hay yields gain as alfalfa displaces lower producing kinds. Some crops, however, show little upward trend.

Only future developments can determine whether overall crop yield levels will continue to advance. There are no guarantees, but the drive for increased efficiency continues and the same forces which developed hybrid seed, improved fertilizer, and farm machinery are still at work.

Harold C. Phillips
Agricultural Estimates Division, AMS

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Hog Growers Can Profit By Use of U. S. Grades

Farmers who have been making an effort to grow meatier hogs—to provide the leaner pork consumers want—are beginning to look forward hopefully to a day when they will no longer have to seek out a market willing to pay top prices for lean hogs.

During the past few years, increasing interest has been shown by the industry in buying hogs on the basis of U. S. grades, which are designed to reflect the consumer preference for lean pork.

Here are the details:

A U. S. No. 1 grade hog has just about the minimum degree of finish required for high-quality pork cuts. U. S. No. 2 hogs are slightly fatter than necessary. U. S. No. 3 hogs are decidedly overfat.

U. S. Medium grade hogs are slightly underfinished. They have a high proportion of lean meat and little fat, but they produce low-quality pork.

During the past several years an increasing number of packers in various areas have been buying by grade. Last summer the American Meat Institute, national trade association of the meat packing industry, formally recommended the policy of "merit buying" which recognizes the principles of the Federal standards.

State Programs

Another indication of the trend was inauguration by the State of Virginia in 1955 of a State grading program, based on U. S. grades. The Virginia program, voluntary and furnished on request on a fee basis, has steadily expanded. A similar program was started this year by the State of North Carolina.

The Livestock Division, Agricultural Marketing Service, which issues standards for livestock and for meat, has assisted these States in setting up their programs and in training State graders. The Livestock Division has also assisted packers and dealers in training their hog buyers in the use of U. S. grades.



What has inspired this renewed interest in U. S. grades for hogs—first proposed in 1949 and officially adopted in 1952?

Most observers agree that declining consumer demand for pork has been the major reason. Consumers have amply demonstrated that they want lean meat. If they can't get lean pork, they'll buy other meat. But they won't buy fat pork.

The answer to the question: "How can hog farmers stimulate the demand for pork?" is, evidently: "Market more lean pork." Now, that a movement in that direction is underway, the opportunity opens for the pork farmer to market the type of hog in demand and receive a price in keeping with the quality.

U. S. No. 1 hogs, where buying by grade has been practiced, have been bringing from 25 to 75 cents more per hundredweight than U. S. No. 2 hogs. And U. S. No. 2's have been bringing up to 50 cents more than No. 3's.

Pay befitting the quality—that's the aim of all good marketing programs. The day is coming, when the hog grower can confidently expect hog markets will carry out that aim—to his own legitimate profit.

C. Lowell Strong
Livestock Division, AMS

HOW HOSPITALS ARE BUILT TO SERVE RURAL PEOPLE

Tens of thousands of farm families in this country who once were in grave need of improved medical services and improved hospital facilities have obtained them since 1946, thanks to community effort and Federal legislation.

If you and your neighbors still lack these essential benefits, you can organize a campaign to obtain recognition under the Hill-Burton Act of 1946 which provides annual Federal appropriations to States to help build new health and hospital facilities in the areas of greatest need. These benefits include hospital beds—nearly 150,000 made available since 1946—and public health centers.

USDA Bulletin

Seven steps which a rural community can take to obtain these facilities are described in the bulletin "Hospitals for Rural People" (Farmers' Bulletin 2110) recently issued by the U. S. Department of Agriculture.

1. Try to interest people and organizations primarily concerned—your local doctor, the health council or county health officers, the county or State medical association or State health specialists or, perhaps, a community group that gives considerable attention to health problems.

A representative of the State Board of Health or State Hospital Construction Agency familiar with the State survey for the Hill-Burton program probably will be willing to help in the planning when your group is ready to meet. The name and address of each State and territorial agency that administers the Hill-Burton program can be found in "Hospitals for Rural People."

Don't forget that nearby communities might be interested in joining forces with you. Or your meeting may disclose that adequate facilities are already available and simply have not been used. Perhaps an educational program is needed.

2. Next, your committee works out a hospital objective. Conditions within your own or cooperating communities will, of course, determine what that objective should be. The goal is to have every U. S. family within reach of hospital and other needed health facilities.

Most State plans provide large base hospitals with teaching and research facilities, district and regional hospitals, and small hospitals in sparsely populated communities. Health centers supply some of the facilities found in regular hospitals.

3. If your community decides it wants any of the facilities available under the Act, apply to your State hospital construction agency. It will supply information and advice.

4. A sponsoring group, representative of all segments of the area, should now enlist support and raise funds perhaps from county, State, and Federal sources or from philanthropic foundations.

5. Professional groups may now be approached. These include State and county medical associations, nurses' associations, public health officers, and health workers in the University extension service.

How to Pay

6. Work out a plan to pay for the new services. Enrollment in prepayment plans may be developed by a local group or by a nonprofit association, such as Blue Cross. Cash indemnity plans may be bought from insurance companies that sell health insurance.

7. Good individual and family health practices begin in the home and extend into the community. Educational programs in schools and clubs will make people conscious of health needs and goals.

Elsie S. Manny
Agricultural Economics Division, AMS

Farm Wage Rates Rise Throughout The U. S.

No matter how small the farm, no matter how self-reliant the farmer and his family, the problem of getting extra labor quickly at a time when it is needed is one that is always with us.

True, only a small proportion of the Nation's farmers employ substantial numbers of full-time hired workers. But practically every farmer has had frequent occasion to call upon part-time workers—children, youths, housewives, elderly persons of both sexes—who are anxious to earn additional money during the peak of the harvest.

The Agricultural Marketing Service estimates that over 3 million persons earn cash wages each year for work done on American farms. More than half of these people are the part-time workers who are used for the harvesting and other seasonal operations of the average grower.

Regular Workers

In fact, almost two-thirds of the farm wage bill in 1949 was paid by farmers who own less than 500 acres. Many of these farmers employ regular farm workers who put in 6 or more months on farm operations each year.

When the Census of Agriculture was taken in the spring of 1950, about one-fourth of all hired workers were paid by the month, one-eighth by the week, nearly one-third by the day, and about one-fourth on an hourly rate. The rest, about 6 percent, were paid on a piece-rate basis.

For the purposes of a recent study based on the Census of Agriculture, AMS used a composite hourly wage rate, representing all the various wage payments and giving weight to each according to the number of workers paid by that method.

It has to be remembered, though, that this composite rate does not include perquisites received by many workers—housing, food, and the like. These perquisites were particularly

likely to be received by workers paid by the week or month.

The composite cash rate at that time for the country as a whole was 52 cents an hour. In the fall of 1954, farmers were paying an average of 79 cents per hour in cash.

This indicates the long-term rise in farm wage rates continued between those years, though allowance has to be made for the fact that farm wages tend to be somewhat higher in the fall than in the spring.

In both years highest wages were paid in the Far West, lowest in the Southeast. In 1950, the rates were 85 cents and 34 cents, respectively. In 1954, they were \$1.03 and 54 cents.

The increase in Southeast wages between those years was no less than 59 percent. But the biggest jump, percentagewise, occurred in the West North Central States. In 1950, farm wages in those States were exactly the same as the national average, 52 cents. By 1954, the rate was 84 cents, a 62-percent increase.

In 1950, rates in the South Atlantic States averaged 42 cents; in the West South Central States, 43 cents; in New England and the Mountain States, 64 cents. In 1954, the rates were 59 cents in the South Atlantic States, 62 cents in the West South Central States, 96 cents in New England, and 86 cents in the Rocky Mountain States.

Why do wage rates vary so much from one region to another?

Conditions in Southeast

In many parts of the Southeast, the large number of sharecroppers and other tenant labor means a large supply of unpaid family labor. A high birth rate over an extended period and lack of alternative employment opportunities all tend toward underemployment and the depression of wages.

In the Great Lakes cut-over region of the North Central States, a contrasting pattern was found. Farm

wage rates are likely to be highest in areas where farm population increases are balanced by a tendency to migration. In the "copper country" of the Upper Peninsula of Michigan, for example, farms are small and chances for jobs in mining and lumbering are numerous. This area paid the highest composite rate in the Upper Great Lakes region.

In many parts of the country, wages in dairy areas tended to be somewhat lower than in adjacent areas in which other types of farming predominated.

Since the comparison was made on the basis of cash wages alone, this is misleading, because dairy farmers are more likely than most other farmers to provide board and room, housing, or other perquisites in addition to the cash wage.

Cash rates were higher where capital investment was higher and mechanization most advanced—as in the Corn Belt in the North Central States. Wage rates also were higher where the farm operator family level-of-living index was higher.

Wages on Stock Ranches

In the Rocky Mountain area, large stock ranches usually have lower cash rates than the smaller special-crop farms producing vegetables and sugar beets and the general farms.

Like the dairy farmers, owners of stock ranches are more likely to provide board and room and other perquisites than are the owners of the smaller farms. Furthermore, the special-crop growers use large numbers of piece-rate and hourly paid workers who receive the highest comparative cash wage of any type of farm worker.

The demand for farm labor is generally strong on the Pacific Coast, and the economic position of agriculture in the area is comparatively good. Large numbers of seasonal workers are employed on the Pacific Coast. This raises the general level of cash wages paid and helps to explain why Pacific Coast farmers pay the highest cash wage rates in the country.

Sheridan T. Maitland
Agricultural Economics Division, AMS

Alfalfa Seed Forecast 7 Percent Under 1956

The 1957 production of alfalfa seed is forecast by the Crop Reporting Board at 153.1 million pounds of clean seed. This is 7 percent less than last year's crop of 164.0 million pounds but about a fifth larger than the 1946-55 average of 129.4 million.

The reduction comes mostly in Kansas, Oklahoma, Nebraska, Colorado, New Mexico, Arizona, Utah, and Wyoming. The reasons: Poor set of seed, damage from grasshoppers and aphis, and frost during the third week of September in the Mountain States. Larger crops are forecast in California, Oregon, Washington, Idaho, Montana, North and South Dakota, Texas, and Wisconsin. California had a marked increase in certified seed. That State accounts for 54 percent of the U. S. crop this year, compared with 48 percent last year.

Alfalfa seed will be harvested from the smallest acreage since 1948. Acreage harvested and to be harvested, forecast at 805,000 acres, is 9 percent less than last year and a fourth below average. Sharpest drops occurred in Kansas, Oklahoma, and Nebraska.

A larger portion than usual of the acreage for seed is in the far Western and Mountain States where much of the alfalfa is irrigated. Largely because of this factor, the indicated U. S. yield of 190 pounds per acre is the highest of record. It is 5 pounds larger than a year ago and 69 pounds above the 10-year average.

Imports of alfalfa seed during the year ended June 30, 1957, totaled only 81,300 pounds—the smallest figure since 1936. This compares with 359,000 pounds a year earlier and the 10-year average of 8,550,100 pounds.

On the other hand, exports, during the same year, were the largest on record. The total 17.1 million pounds exceeded last year's high of 14.1 million pounds by about one-fifth and was 5 times the average.

Thomas J. Kuzelka
Agricultural Estimates Division, AMS

St. Nick Can Leave Your Oranges In European Christmas Stockings

Europeans like the flavor of American oranges, lemons, grapefruit. Extensive studies of both the California and Florida varieties have convinced the Agricultural Marketing Service that our citrus fruit can meet foreign competition in foreign markets.

There is only one catch. We have to get the citrus fruit there in good condition. We have to use the most up-to-date shipping techniques, if we want the golden gleam of California and Florida oranges reflected on the dinner tables of Europeans this Christmas Day.

Growers Are Affected

Shipping know-how is of major importance to you citrus growers in both States, whether you do your own shipping, ship through your cooperative, or simply rely upon an independent commercial shipper. Licking this shipping problem or failure to do so probably will mean the difference in years to come between large and small export markets for you.

There are three big "musts" for the citrus growers in both States. They are: Shipping high quality early-season fruit, following sound precooling and decay inhibiting procedures, and using good handling methods.

Take the first. California lemon growers have done a good job in selecting fruit for export, but the job is more difficult for orange growers as the season advances. One solution might be for the European receivers to select only better fruit for storage.

Far too much of the poorer grade fruit is going abroad. AMS experts think a higher quality should be packed for export in order to compete more successfully in the European market.

Shipside precooling plants may be a big answer to the problem of rot in the exported citrus crop. Certainly, adequate precooling before loading is essential, since even the most modern

ships do not have sufficient refrigeration capacity to cool warm fruit rapidly. Both the fruit and the cargo compartments should be thoroughly cooled before loading begins.

There are specific problems in this for the Florida grower. The AMS study uncovered excessive delays between picking and cooling, which naturally furthered decay.

Florida grapefruit does not lend itself to long storage. Low temperatures cause pitting and green mold rot, while high temperatures favor stem-end rot.

Grapefruit should be shipped at 50° to 55° F. If storage at destination is necessary, the temperature can safely be lowered to about 35° for a few weeks. Oranges may safely be stored at 38° up to 6 weeks after picking.

Sodium orthophenylphenate-hexamine as a fruit wash combined with diphenyl-treated wrappers or cartons was more effective than either treatment alone in controlling green mold and stem-end rot in the Florida citrus. None of the decay inhibitor treatments, however, can successfully be substituted for refrigeration.

Better Containers Needed

There's room for considerable improvement in handling methods. Growers in both California and Florida report that containers should be stronger and better ventilated. California lemon growers particularly want ventilated cartons.

From Florida come two valuable suggestions: Ship holds and stowage methods need to be adjusted to provide a more even distribution of air through the load, and better stowing of cartons aboard ship is needed to avoid damage during loading and unloading.

E. M. Harvey
J. R. Winston
Biological Services Branch, AMS

FROZEN CRANBERRIES WIN APPROVAL OF SHOPPERS

Turkey and cranberry sauce. Succulent white meat and gleaming red berries. Christmas carols and sleigh bells, and I shouldn't take another bite but I will, and now let's put on the earphones and try to bring in that big football game a hundred miles away.

To millions of Americans who will sit down to Thanksgiving dinner this year it's impossible to think of Thanksgiving and Christmas without calling up memories like these. It's natural. Turkey and fresh cranberries have always been available together during the jolly holiday season—but at few other times.

That picture is changing. Turkey growers have made it possible for Americans to buy America's traditional fowl at any time during the year. And an Agricultural Marketing Service study now seems to indicate that the time may come when cranberries in a form that compares favorably with the fresh berries will be just as easy to buy out of holiday season.

Frozen cranberries may be the key that will unlock this larger market for the cranberry grower. The AMS study was based on sales of the frozen product in a specific area in April and May of 1956.

Ninety-three percent of those who purchased the frozen cranberries reported that they had used fresh cranberries in the preceding year, and 50 percent had used canned cranberries.

Few Were Critical

The study showed that 88 percent of the people who purchased the frozen berries had nothing but praise for the new product. Another 11 percent liked the frozen cranberries, but had some criticisms to make. Literally only one in a hundred was extremely critical.

Frozen cranberries in spring were a novelty, of course, and that probably influenced the buyers. But there seemed to have been better reasons

than that for the result. Some old bugbears were proven to be just bugbears, not obstacles.

Some of the biggest: That frozen cranberries would be tasteless, faded, shriveled, or brittle. None of these things was true, the overwhelming majority of the buyers agreed. In fact, 96 percent said they would like a chance to buy frozen cranberries again.

Turkey and cranberry sauce. Maybe another generation will associate them with Fourth of July firecrackers, a hot summer day by the beach, or even a big, romantic June moon.

J. Scott Hunter
Marketing Research Division, AMS

USDA Acreage Guide For Spring Potatoes

The Department of Agriculture recommends potato growers cut 1958 spring acreage 9 percent below 1957 levels in an effort to bring 1958 spring production into balance with probable market requirements. Grower action is voluntary.

The USDA annual acreage-market guide suggests that Florida growers, who produce practically all the early spring crop, reduce 1958 plantings 15 percent to about 26,900 acres.

Further recommendations are that growers in the 11 late spring States plant only 161,600 acres in 1958, compared with 174,900 acres in 1957. This would mean reductions of 15 percent by California and Arizona growers and 9 percent in North Carolina.

No change is suggested for the other late spring States—South Carolina, Georgia, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas—or for the other early spring State, Texas.

CAN COTTONSEED OIL MAKE MAJOR COMEBACK?

What is the probable future for versatile cottonseed, once the major supplier of vegetable oil and oilseed meal in the United States? The answer is not simple.

Since the middle of World War II, cottonseed has lost its dominance. Competing soybean oil and animal fats have reduced its use in shortening and margarine. Phenomenal production in recent years has made soybeans the major oilseed crop.

1957 Soybean Production

Supposing soybean output continues to increase and restrictions on cotton acreage are maintained, cottonseed might continue to lose out in future years at least on a comparative basis. In fact, soybean oil production in 1957-58 is expected to be more than double that of cotton oil.

More than 90 percent of the cottonseed oil used domestically goes into food products. Cotton oil's share of the market for all fats and oils used in food—excluding butter—dropped from 35 percent in 1931-35 to less than 22 percent in 1952-56.

In the same periods, use of soybean oil, encouraged by sharp wartime restrictions on cotton plantings, grew from a fraction of 1 percent to 33 percent.

By the end of World War II, soybean oil topped cottonseed oil for use in shortening. It took a major share in the manufacture of margarine by 1951. More lard than cotton oil was used in shortening in 1956, for the first time. Shortening manufacture in the early 1930's accounted for about 70 percent of the total cotton oil use, but for only about 25 percent last year.

However, cotton oil has held its salad and cooking oil market since the mid-1930's and has even steadily increased it. In 1956, salad and cooking oil accounted for more than half of the total cotton oil use, compared with 16 percent in 1936.

About 1 percent of cotton oil supplies went into margarine in the early 1930's. The figure rose to 33 percent in 1948, but dropped to only about 20 percent in recent years.

As a byproduct of cotton fiber, cottonseed supply is determined primarily by the factors that affect cotton production. For this reason, cottonseed output cannot adjust to changing price levels of oilseeds and edible oils. Limitations on cotton acreage in recent years cut deeply into its seed output.

Cotton plantings have declined each year since 1952 and the estimated 14.2 million acres planted in 1957 would be the smallest of record.

Cottonseed farm prices have dropped steadily since 1950. Since parity prices have remained relatively stable, farm prices as a percentage of parity have declined from 130 in 1950 to 75 in 1956.

Prices to farmers during the 1957-58 season are expected to average slightly above the \$53.50 per ton received last year. Reduced output of seed and smaller supplies of cottonseed oil are the main reasons for the prospective price increase.

More Cottonseed Crushed

The drop in cottonseed production has been offset by the increasing proportion of the crop that is being crushed. Less seed but more meal is used on the farm. The need for new seeding has fallen off with the decline in acreage.

Yields of oil and meal from crushing have also increased. The gains are the result of improved mill operation and wider use of the more efficient extraction techniques, as well as the improved quality of the seed and the shift of acreage to the higher yielding irrigated lands of the West.

Relative value is another incentive to increase yields from crushing. Cottonseed oil commands a substantially higher price per pound than other cot-

tonseed products. It accounts for about one-half of the total value of cottonseed products. Meal represents about one-third.

Yields of cottonseed meal per ton crushed were fairly stable from 1918 to 1951. Since 1951, they have increased sharply, averaging 958 pounds through 1956.

Oil yields per ton of cottonseed crushed also have increased. The 1952-56 average was 334 pounds, compared with only 319 pounds in 1947-51, and 310 pounds in 1935-39. These oil yields are likely to continue to increase as a larger proportion of the crop is processed by the more efficient solvent extraction.

Linter yields per ton of cottonseed crushed have been approximately stable since 1946, averaging 183 pounds per ton. The price of linters determines, to a certain extent, how many cuts will be made from the seed. The better grades of linters, with longer fibers, are used mostly for mattresses

and for felting. Lower grades are a source of cellulose.

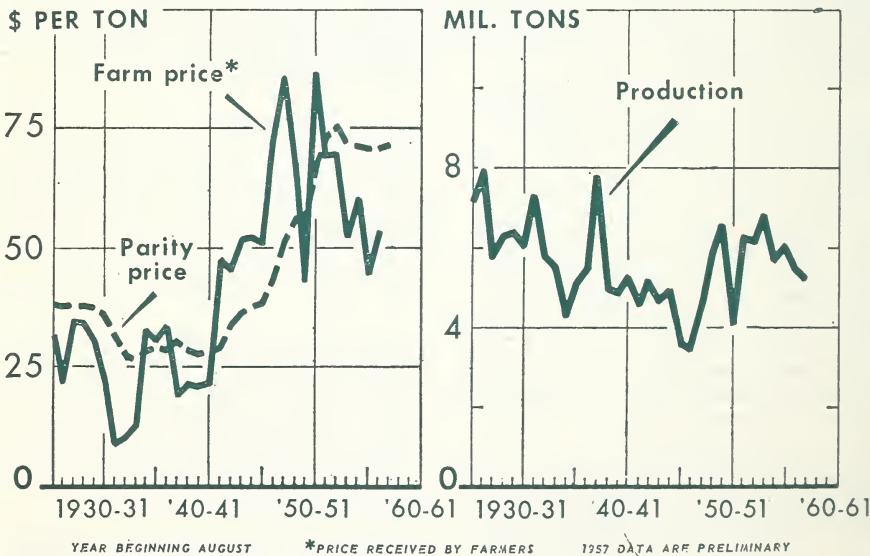
The yield of hulls per ton of cottonseed crushed has trended downward historically. In earlier years, hulls were often burned as fuel to operate mills or were hauled back to the farm for use as fertilizer.

In recent years, many crushers have ground the hulls and added them to the meal in order to adjust the meal to a definite protein content. Hulls are the lowest in price of the four major cottonseed products.

Future cottonseed output will be determined as in the past, primarily by changes in the cotton program. Even if cottonseed production should return to earlier levels, soybeans would remain the major oilseed by a wide margin. Soybean production is expected to trend upward and play an increasingly important role in our fats and oils economy.

George W. Kromer
Agricultural Economics Division, AMS

COTTONSEED PRICES AND PRODUCTION



"Bert" Newell's Letter

I have just returned from the annual session of the State Commissioners, Secretaries, and Directors of Agriculture. This is an annual affair where these men discuss mutual problems, exchange ideas, and develop coordinated plans for carrying out services for farmers and other people of their State.

Of course, I suppose all of you know about these State departments of agriculture and I am not going to use your time going into the subject in detail. The thing, though, that impresses me most is the businesslike way these men go into problems and the remarkable spirit of cooperation that animates the meeting.

I have been attending these sessions for something over 20 years and they are really working sessions. Of course, we usually take off a day for a trip out into the farming areas, and aside from being very pleasant, it is really quite instructive.

This year the meeting was held at Portsmouth, N. H., and we got a chance to get out and see a little of New England agriculture and the beautiful fall scenery.

Each year they meet in a different section. It is very helpful for a man from the Corn Belt or the Pacific Coast to see the kind of agriculture in the Northeast, and conversely, for a man from the Northeast to get a look at farming problems in other areas.

Most of their time, however, is spent in discussing service or regulatory programs and comparing notes on how other States do their jobs. This comparing of notes and exchanging of ideas has worked to the benefit of many individual farmers and to agriculture as a whole.

We in Agricultural Estimates are very much interested in this work of the State departments because we have

had a definite cooperative program with the States for just about 40 years.

It got started simply because a man from USDA and a State commissioner of agriculture decided that they could each do more for their farmers and the people of the State by joining forces. The State runs its program and we run ours, but the State statistician coordinates the two and duplication just naturally doesn't happen.

There are a lot of services that are provided through our State statistician's office that would not be there if it were not for the fact that the State is cooperating in the program. On the other hand, there are a lot of things that the State couldn't do if it were not that the Agricultural Estimates Division maintains an office for that State.

It's really a fine relationship. There's no law, Federal or State, that says we have to work together. We do it because we want to do the most we can with the funds we have and to provide the maximum amount of assistance possible to agriculture as a whole. After all, that's about the only kind of real cooperation that counts anyway.

I don't want to leave the impression that Agricultural Estimates is the only one that has this type of cooperation. The fact is, cooperative work on marketing services goes into many fields such as market news, grading and inspection work, administration of some aspects of regulatory acts. Also, a tremendous amount of cooperative research work is carried on.

But all of that is too long a story for me to go into in this letter. What I really wanted to do here is simply to point out that you, as crop reporters, or price reporters, are in most instances a vital part of a three-way cooperative enterprise.

If by chance you are not acquainted with your State Department of Agriculture, why don't you look 'em up soon.



S. R. Newell
Chairman, Crop Reporting Board, AMS

Business activity was at near-record levels as the fall season got underway. Prices received by farmers, after increasing each month from February to August, declined slightly by mid-September. This was mainly due to reduction in meat animals and vegetables.

Further seasonal declines are likely in livestock prices this fall, but prices of cattle, milk, and eggs are expected to hold above a year earlier.

Livestock

Market supplies of fed cattle this fall are about as large as in the fall of 1956. Prices in early October averaged below those of a year earlier, but are expected to hold up better than last year, when they declined sharply.

Grass cattle supplies are smaller than last fall. Demand for feeders continued strong at the end of September, and no more than a moderate seasonal price decline is expected.

Hog prices are expected to decline seasonally the remainder of 1957. Winter prices close to those of last winter are in prospect.

Dairy

Prices of milk and butterfat are likely to continue a little above those of last year for the remainder of 1957. Cash receipts from dairying also are up, since production is staying a little ahead of the 1956 pace.

Eggs and Poultry

Egg production probably has passed its seasonal low, but increase will be slower than last year because of fewer layers. Seasonal price decline probably will be less than usual, and prices are likely to remain above those of a year earlier.

Supplies of broilers also are declining, but demand also is weakening seasonally. Prices are likely to continue near the late summer levels.

Soybeans

Farmers' prices are likely to average near support during most of the harvest period. Price level later will be influenced by outturn of foreign oil crop harvests.

Peanuts

The 1957-58 supply is the largest since 1950. About a fifth of the crop is likely to be acquired by the Commodity Credit Corporation under the support program. Prices for the year are expected to average at about the support level.

Feed

Fall and winter prices for feed grains probably will continue below last year's levels. Production is a near record, carryover a record, and supply of byproduct feeds is again large. Total feed concentrate supply for 1957-58 feeding season is at a new peak, both in total and per animal.

Fruit

Fresh cranberries exceed last year's crop by 5 percent. Fall and winter apples, usually about 95 percent of the total crop, are up from 1956.

Cotton

Total exports this season are expected to fall to between 5 and 6 million bales, compared with 7.6 million bales in 1956-57. The drop is expected, because foreign countries are not likely to increase their stocks, as they did in 1956-57.

Vegetables

Higher prices for fresh market vegetables are likely this fall, compared with the fall of 1956. Potato supplies during fall and winter will be down significantly, and prices should increase substantially over those of 1956. Sweetpotato supplies this winter and spring are expected to be down, and prices to growers to be higher.

SMALLER 1957-58 SUPPLIES LIKELY FOR MOST TOBACCOS

Most kinds of tobacco will be in smaller supply in 1957-58 than in 1956-57. Production cuts in several types this year—mainly because of smaller acreage allotments and participation in the Soil Bank—will more than offset those carryovers which are higher than a year ago.

The majority of tobacco types will continue under marketing quotas and acreage allotments in 1958. Growers of fire-cured and dark air-cured types will vote prior to next planting season whether to have marketing quotas for their 1958, 1959, and 1960 crops.

1958 Price Supports

Government price supports for tobacco under marketing quotas in 1958 will be at 90 percent of parity, except for fire-cured, dark air-cured, and sun-cured.

For many years, the price supports for fire-cured have been set at 75 percent and for dark air-cured and sun-cured at 66½ percent of the burley support level.

Beginning with the 1958 crop, however, support levels for these kinds of tobacco cannot exceed this year's levels, unless 90 percent of parity for these tobaccos rises above their 1957 support levels.

Carryover of flue-cured hit a record high in mid-1957—over one-tenth larger than a year earlier. This year's sharp acreage cut and the one-tenth reduction in yields from last year's record have resulted in a crop one-third smaller than last year.

The new crop plus the carryover will provide a 1957-58 supply about 6 percent lower than the 1956-57 record. Nearly all the 1957 flue-cured has already been marketed. Prices for the season are likely to average over 55 cents per pound, compared with 51.5 cents in 1956-57.

Carryover of burley is likely to vary only slightly from a year ago. This

year's crop is about 5 percent smaller than last year's, consequently total 1957-58 supply will be from 1 to 2 percent lower than in 1956-57 and 4 or 5 percent below the record high of 3 years ago.

Total 1957-58 Maryland tobacco supply is estimated to be down about 7 percent, mainly because this year's crop, one-sixth smaller than in 1956, is one of the smallest in many years.

The 1957-58 total supplies of fire-cured and dark air-cured (including sun-cured) are estimated 5 or 6 percent smaller than in 1956-57. The approximately one-fourth production cut will more than offset carryovers larger than a year ago.

For Pennsylvania and Ohio cigar filler types, 1957-58 supplies are estimated at 6 percent less. The crop of Puerto Rican cigar filler harvested early in 1956 was the smallest in 10 years, reducing the carryover.

The 1957-58 total supply of the combined cigar binder types is down about one-eighth from 1956-57 and more than one-fifth from 1955-56.

Use of Processed Binder

Cigar manufacturers are utilizing processed binder on an increased share of cigar output, and further displacement of natural leaf binders on cigars is likely in the year ahead.

The 1957-58 total supply of shade-grown cigar wrapper is 5 percent greater than for 1956-57. This year's crop is about equal to last year's, but carryover is up 9 percent.

About four-fifths of the tobacco used domestically is in cigarettes. Combined domestic use of the two principal cigarette tobaccos, flue-cured and burley, declined in the last 3 years, even though the number of cigarettes turned out rose steadily.

Manufacturers are producing about 10 percent more cigarettes per pound

of farm-sales weight tobacco than they did 3 years ago. Filter tip brands—increasingly popular—take less tobacco than the nonfilter brands.

Last June, prices of nonfilter tip cigarettes were increased. This greatly narrowed the price gap between the older established cigarette brands and the filter tips, which have always sold at premium.

Some Brands Smaller

Other factors contributing to the production of a greater number of cigarettes from a given quantity of leaf tobacco are: Reduction in sizes of some brands, the greater use of tobacco sheet and stems, and improved machinery.

A major reason why it's hard to estimate cigarette consumption for 1957-58 is the uncertainty how smokers will react to publicity linking excessive cigarette smoking to lung cancer.

However, 1957 consumption would be 405 billion cigarettes, compared with 392 billion last year, if the estimated consumption rate during the first two-thirds of 1957 is maintained. Total manufacture—that includes the cigarettes produced for export and shipments to overseas forces and possessions—may be about 438 billion, slightly exceeding the 1952 record, and about 3 percent above 1956 figures.

As of mid-1957, there were about 62 million smokers (56 million of them daily smokers) in the United States and among members of the overseas forces.

Of those over 15, nearly 6 out of 10 males and over 3 out of 10 females smoked cigarettes every day. There were roughly 11 million cigar smokers and 9 million pipe smokers.

However, only about a fourth of the cigar smokers and less than half of the pipe smokers, smoked cigars or pipes daily. Many who smoke cigars and pipes occasionally, smoke cigarettes regularly.

Cigar and cigarillo consumption in 1957 is estimated at 6.2 billion, about

1956 figures. This level should not change much in 1958.

Output of smoking tobacco in 1957, probably less than 70 million pounds, reached a new low. Wholesale prices of smoking tobacco increased sharply in the second quarter of 1957—the first significant advance in several years.

In 1957, output of chewing tobacco is estimated at 73 million pounds, 3 to 4 percent below 1956 levels, and the smallest figure this century. Sizable wholesale price increases for plug chewing over the past year were the first in several years.

Snuff output this year is estimated 3 to 4 percent less than in 1956 and about 6 percent lower than in 1955. The decline is unusual for this highly stable product.

Exports of tobacco leaf in 1956-57 totaled about 560 million pounds (farm-sales weight), 13 percent lower than the large 1955-56 total. Sales of tobacco for foreign currencies accounted for 11 percent of the total in 1956-57, compared with 14 percent in 1955-56.

Flue-cured is our predominant export tobacco. Due to the smallness of this year's crop, purchases from the large carryover stocks will be necessary to hold exports near their recent level.

Total supplies of other kinds of tobacco are ample, although individual grades, particularly in burley, are short.

Arthur G. Conover
Agricultural Economics Division, AMS

Farmers' Prices

(1910-14 = 100)

Date	Prices received by farmers	Parity index ¹	Parity ratio
October 1956	234	288	81
September 1957	245	296	83
October 1957	240	296	81

¹ Index of prices paid, interest, taxes, and wage rates.

"Cotton, Wool for Winter" Say Most Teenage Girls

Wool and cotton are extremely popular for winter use among girls 14 to 17, Agricultural Marketing Service says on the strength of a recent nationwide survey.

Nine out of ten girls interviewed had good things to say about both, and cotton and wool were well represented in the teenagers' winter wardrobes.

Skirt Statistics

Nine out of ten skirt owners had wool skirts, 6 percent had wool blended with orlon, and 8 percent other wool blends. Nearly half of these girls had cotton winter skirts.

In contrast, rayon or acetate and orlon winter skirts were each reported by only about 1 skirt owner in 10.

More than 9 out of 10 girls owning winter blouses had cotton blouses. Ownership of nylon blouses was reported by 23 percent, of wool blouses by 13 percent, rayon or acetate by 9 percent, dacron by 7 percent, and silk by 6 percent.

About 7 out of 10 teenagers who owned everyday winter dresses reported having cotton. Four out of ten had wool.

No single fiber dominated the winter dressup dress field. Wool dresses, however, were reported by 39 percent of owners, cotton dresses by 34 percent, rayon or acetate by 31 percent, silk by 15 percent, and taffeta by 15 percent.

The girls like wool principally because of its warmth, its good looks, its good wearing qualities. Those comparatively few girls who found fault with wool tended to speak of its need for dry cleaning or to say it was irritating or rough.

The girls praised winter cotton especially for its ease of care, its appearance and style, and its comfortable weight. A tendency to wrinkle was about the only widespread criticism of cotton fabrics.

Esther S. Hochstim
Marketing Research Division, AMS

Fruit, Vegetable Growers Now Get New USDA Service

More and more farmers are getting a bigger share of the consumer dollar today by taking on convenience processing and packing of foods.

Whether the farmer turns to packing or sells his produce to a shipper, a prepacker, or direct to a retailer, the trend is toward the packing of fresh fruits and vegetables in smaller, consumer-sized packages.

In turn, that means a demand for high quality produce and close quality control in packing. To help the shipper and prepacker achieve this, USDA's Agricultural Marketing Service is now offering a continuous inspection service on fresh fruits and vegetables.

Long available to the packer of processed fruits and vegetables, continuous inspection provides merchandizing advantages as well as quality control. Fresh fruit and vegetables packed under continuous inspection may be grade marked in the federal shield by meeting requirements of U. S. Grade A or higher.

Continuous inspection means that the inspector is on duty at all times when the product is being packed. He checks constantly not only on the quality of the produce but to see that sanitary practices are being followed.

Other Requirements

Those who apply for this continuous service must have a plant and equipment which measure up to USDA requirements. These plants must be surveyed and approved by the inspection service.

Sanitary facilities and operating procedures also must meet with USDA approval. Finally, a contract specifying the cost and conditions under which service will be performed must be signed before the service can be inaugurated.

Regulations may be obtained from Director, Fruit and Vegetable Division, Agricultural Marketing Service, U. S. Department of Agriculture.

E. E. Conklin
Fruit and Vegetable Division, AMS

In This Issue

	Page
National Crop Yields Advance	1
Hog Grades	3
Hospitals for Rural People	4
Part Time Farm Workers	5
Farmers' Prices	6
Alfalfa Seed Forecast	6
American Citrus Abroad	7
Frozen Cranberries	8
Guides for Spring Potatoes	8
Can Cottonseed Make Come-back?	9
"Bert" Newell's Letter	11
Outlook	12
1958 Tobacco Prospects	13
Winter Cotton Clothes for Teenagers	15
New USDA Fruit-Vegetable Inspection	15

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Farmer's Share of Consumer's Food Dollar

August 1956	41 percent
July 1957	40 percent
August 1957	40 percent

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